



ASEAN BAC & APFF SEMINAR Next Generation Credit Information (Draft)

18 JUNE 2019

CO - ORGANIZED BY

ASEAN BUSINESS ADVISORY COUNCIL (ASEAN BAC)

ASIA PACIFIC FINANCIAL FORUM (APFF)

NATIONAL CREDIT BUREAU (NCB)

In most emerging markets, small and medium enterprises, or SMEs, lack access to the credit and liquidity they require for their daily working capital needs. This is partly due to the fact that the credit risk of such businesses is typically difficult to assess, and their working capital needs are unpredictable. In most countries these businesses operate primarily in the retail and wholesale trade segments, and banks have generally not done enough to finance their domestic or international trade operations, especially open account transactions. Supply chain finance structures offer an alternative solution to finance the trade flows of these enterprises, with benefits for all stakeholders, including large enterprises, their SME trade counterparts, and financial institutions. This type of financing helps banks extend working capital finance to SMEs by leveraging commercial and trust relationships between the SMEs and corporates; it helps large corporates improve their working capital management and decreases supply chain disruptions; and it enables banks to better assess, measure, and manage the risks of extending financing to SMEs. However Unavailability of data, fragmented data, and incomplete credit bureau coverage of MSMEs is an important bottleneck inhibiting the flow of formal financing to the MSME sector.

A robust credit information framework provides the basis for fact-based. The 21st century brings opportunities that can help SMEs overcome barriers to their growth and expansion. Advances in technology and digitalization have made it possible for more SMEs to access global markets and supply chains. Lower costs and more efficient ways of communicating, getting information, producing goods, providing services, marketing and distribution are enabling SMEs to reach levels of competitiveness that a few decades ago were thought beyond their reach. Many of today's largest and most valuable companies spearheading the new industrial revolution represent the new breed of successful enterprises that were mere start-ups only a generation, some even just a few years, ago.

AGENDA

8:30-9:00

OPENING SESSION

Welcome Remark

- Mr.Surapol Opasatien, Chief Executive Officer, National Credit Bureau Co.,Ltd.

Opening Remark & Keynote Speech

- Mr.Jaturong Jantarangs, Assistant Governor, Supervision Group, Bank of Thailand

9:00 – 11:00

SESSION I

CREATING THE ECOSYSTEMS FOR NEXT GENERATION CREDIT INFORMATION

- Discussed the ecosystem of next generation credit information, creating key elements for establishing a successful mechanism of robust credit information enrichment and exchange, including
- Data sources
- Data regime for the new data/analytics industry
- Best practice and regional trend

Moderator:

- Mr.Julius Caesar Parreñas, Senior Advisor, Mizuho Bank, Ltd

Speakers:

- Ms.Ratchada Anantavrasilpa, Senior Financial Sector Specialist, East Asia and Pacific, World Bank
- Mr.Yichen Feng, Nova Credit
- Mr.Patrick D. Walker, Director of Research , PERC
- Mr.Thaweelap Rittapirom, Executive Director and Executive Vice President, Bangkok Bank

11:00 – 13:00

SESSION II

Cross - border Credit Information Sharing for Trade and Cross - border Supply Chain

Finance

- Discussed the ecosystem of next generation credit information,
- Comprehensive and dedicated law and/or overarching regulation on personal data protection
- General personal data regulator with enforcement power and capacity
- Independent industry association and practice codes of conduct
- Efficient, low-cost complaint, correction, dispute resolution mechanisms (including out-of-court)
- Rules on cross-border data flow
- Specific guidelines for those involving financial services
- Public data to made available for business purposes conveniently

Moderator:

- Mrs. Anuk Serechetapongse, Assistant Vice President (Economist), Bangkok Bank (TBC)

Speakers:

- Mrs.Kritiyanee Buranatrevedhya, Baker McKenzie
- Mr.Rak Vorrakitpokatorn, President ,Thai Credit Guarantee Corporation
- Mr.Surapol Opasatien, Chief Executive Officer, National Credit Bureau Co.,Ltd.
- Mrs.Warangkana. Wongkhaluang, Executive Vice President, EXIM Bank
- Mr.Kirati Laisathit, Executive Vice President, Bangkok Bank PCL

13:00 – 14:00 Lunch break

14:00 – 16:30 **Roundtable Discussion with Focused Group**

Improving Credit Information Infrastructure for MSMEs - Proposals for Reform

- Modernizing legal and regulatory frameworks and creating regional standards to enable next generation :

Moderator

- Mr.Patrick D. Walker, Director of Research , PERC
- Mr.Kirati Laisathit, Executive Vice President, Bangkok Bank PCL

16:50 – 17:00 **CONCLUDING SESSION**

Closing remarks

- Mr. Kobsak Duangdee, Secretary General, The Thai Bankers' Association and ASEAN-BAC Member

ABOUT THE CO-ORGANIZERS

About the ASEAN Business Advisory Council (ASEAN BAC)

The ASEAN Business Advisory Council (ASEAN-BAC) was established by the ASEAN Heads of State and Government (HOSGs) at the 7th ASEAN Summit in November 2001 in Bandar Seri Begawan, Brunei Darussalam. Launched in April 2003, ASEAN-BAC was set up with the mandate to provide private sector feedback and guidance to boost ASEAN's efforts towards economic integration. Aside from providing private sector feedback on the implementation of ASEAN economic cooperation, the Council also identifies priority areas for consideration of the ASEAN Leaders. Accordingly, ASEAN-BAC's activities are primarily focused on reviewing and identifying issues to facilitate and promote economic cooperation and integration.

<https://www.asean-bac.org/about>

About the Asia-Pacific Financial Forum (APFF)

The Asia-Pacific Financial Forum (APFF) is a platform for public-private collaboration to accelerate the development of robust and integrated financial markets in the APEC region. APFF is a policy initiative under the APEC Finance Ministers' Process whose management has been entrusted by the Ministers to the APEC Business Advisory Council. Over 400 experts and senior representatives from more than 200 institutions collaborate in the APFF's undertakings. The work of APFF covers key areas of financial markets that are critical to the development of the region's economy and financial services: credit infrastructure, trade and supply chain finance, insurance and retirement income, capital markets and financial market infrastructure.

<https://www2.abaonline.org//page-content/22613276/Asia-Pacific%20Financial%20Forum>

NATIONAL CREDIT BUREAU (NCB)

In 2005, Central Credit Information Services Co., Ltd. merged the business with Thai Credit Bureau Co., Ltd. and the company name was changed to National Credit Bureau Co., Ltd. or "NCB" on 19 May 2005. The proportion of the shareholders after the merger consists of Thai commercial banks hold the same proportion of the shares totaling 24.5%. Business Online Public Company Limited and TransUnion Inc. hold the same proportion of 12.25% totaling 24.5%. And, Government Housing Bank holds 15%, and PCC Capital Co., Ltd. holds 15% of the shares. Another 21% are held by government financial institutes including Government Savings Bank, Dhipaya Insurance, and Small and Medium Enterprise Development Bank of Thailand hold the share proportion of 9%, 6% and 6% respectively. NCB is now the only one private credit bureau in Thailand, and operates its business under the Credit Information Business Act B.E.2545. It provides both consumer credit reporting, corporate credit reporting, credit scoring as well as statistical report services. Besides being one of the infrastructures for financial system and preventing debt Tsunami, NCB also focuses on financial literacy by regularly giving public education. NCB currently has more than 90 members including commercial banks, state-own financial institutions, credit card companies, consumer finance, and leasing companies. With over 100 million accounts, including consumer and corporate loans, NCB is the largest credit information center in the country.

Joint Standing Committee on Commerce, Industry and Banking (JSCCIB)

Was established in 1977, as an apex body of the three core private sector organizations, namely the Board of Trade of Thailand (BOT), the Federation of Thai Industries (FTI) and the Thai Bankers' Association (TBA).

- BOT was established in 1955 under the Chamber of Commerce Act of 1966, Its membership of over 30,000 is comprised of Thai Chamber of Commerce (30,000 members), 75 Provincial Chambers of Commerce, 30 Foreign Chambers of Commerce, 105 Trade Associations, 11 State Enterprises, 1 Cooperative and more than 700 companies

- FTI was founded in 1967 as the Association of Thai Industries, representing industrial communities in Thailand. Since the enactment of the Federation of Thai Industrial Act of 1987, The Association of Thai Industries has become the FTI. Currently, the FTI comprises of more than 7,559 members in 42 industry club and 74 provincial chapters throughout Thailand.
- TBA was founded in 1958, serving as a forum of the 15 Thai Commercial banks.

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